



CITY OF CARSON

Legislation Text

File #: 2018-156, Version: 2

Report to Mayor and City Council

Tuesday, March 06, 2018

Consent

SUBJECT:

CONSIDERING ADOPTING URGENCY ORDINANCE NO. 18-1803U AND INTRODUCING ORDINANCE NO. 18-1804, BOTH REGARDING REAUTHORIZATION OF CITY PEG (PUBLIC, EDUCATIONAL AND GOVERNMENT) FEE COLLECTION AUTHORITY UNDER STATE LAW (CITY COUNCIL)

I. SUMMARY

Attached for the City Council's review are two uncodified ordinances to reauthorize the City's Public, Educational and Government fee ordinance. At the February 20, 2018 City Council meeting, the City Council directed the City Attorney to prepare an ordinance within 14 days reauthorizing the City's PEG fee.

II. RECOMMENDATION

1. WAIVE further reading and ADOPT Urgency Ordinance No, 18-1803U, "AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF THE CITY OF CARSON, CALIFORNIA REAUTHORIZING THE CITY'S PUBLIC, EDUCATIONAL OR GOVERNMENTAL CHANNEL FEE"
2. WAIVE further reading and INTRODUCE Ordinance No. 18-1804, "AN ORDINANCE FO THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA REAUTHORIZIGN THE CITY'S PUBLIC, EDUCATIONAL OR GOVERNMENTAL CHANNEL FEE"

III. ALTERNATIVES

1. MODIFY the attached draft ordinances.
2. TAKE another action the City Council deems appropriate and consistent with the law.

IV. BACKGROUND

On September 29, 2006, the Legislature passed, and Governor Schwarzenegger, signed into law, Assembly Bill 2987, the Digital Infrastructure and Video Competition Act of 2006 (DIVCA). Under DIVCA, cities may establish and collect a PEG Fee equal to 1% of gross revenues within the City.

In 2008, the City Council adopted Ordinance No. 08-1398, which added a Division 2 (State Franchise) to Chapter 6 of Title VI of the Carson Municipal Code, to, among other things, establish a PEG Fee for state-franchised video service providers.

Currently, AT&T and Charter are the two state franchises operating in the City. DIVCA states that a local one percent PEG fee ordinance "... shall expire, and may be reauthorized, upon the expiration of the state franchise." Both the AT&T and Charter Communications franchises have been reauthorized by the state.

It is unclear whether re-authorization of the City's PEG Fee ordinance is required upon expiration of the AT&T and Charter video franchises. However, staff has observed other local agencies, including the City of Los Angeles, sought re-authorization of their PEG Fees ordinance as AT&T's initial statewide franchise came to an end. Although a reasonable argument may be made that DIVCA's expiration language does not apply, there is the possibility that substantial PEG funding could be lost unless the fee is reauthorized.

On February 20, 2018, the City Council directed the City Attorney's office to prepare an ordinance within 14 days reauthorizing the City's Public, Educational and Government access fee, which is charged by the City to telecommunications companies ("PEG FEE").

Therefore, staff recommends the City Council adopt the proposed Urgency Ordinance No. 18-1803U so that the City's PEG Fee Ordinance is reauthorized effective immediately. Staff also recommends introducing Ordinance No. 18-1804 for first reading. Both Ordinances expressly reauthorize the City's PEG Fee, and provide that the City's PEG Fee ordinance shall automatically be authorized upon the expiration of any current or future state franchises for video service providers operating in the City.

V. FISCAL IMPACT

There is no fiscal impact related to carrying out the recommended action and it will not have any indirect or support cost requirements. The one percent (1%) PEG fee generates approximately \$134,000 annually.

VI. EXHIBITS

1. Proposed Urgency Ordinance No. 18-1803U. (pgs. 4 - 6)
2. Proposed Ordinance No. 18-1804. (pgs. 7 - 8)
3. Staff Report from February 20, 2018 City Council Meeting. (pgs. 9 - 11)

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